



ITELLA CORPORATION STOCK EXCHANGE RELEASE APRIL 29, 2011, AT 12:00 NOON

Itella Interim Report for January–March 2011

- The Itella Group's net sales in the first quarter totaled EUR 462.9 million (EUR 453.9 million in January–March 2010). International operations accounted for 33% (31%).
- Operating profit was EUR 1.3 million (EUR 18.3 million), representing 0.3% (4.0%) of net sales.
- Itella Mail Communications' net sales decreased slightly and its profitability declined significantly. A major factor was the decrease in mail delivery volumes, to which Itella's cost structure is slow to respond.
- Itella Information's net sales increased and its profitability weakened.
- Itella Logistics' net sales increased markedly and it was able to decrease its losses.
- The new Postal Services Act was approved by the Finnish Parliament, and it is expected to enter into force on June 1, 2011. The license concerning the universal service is held by Itella's subsidiary Itella Posti Oy.

Key figures of Itella Group	1-3/2011	1-3/2010	2010
Net sales, MEUR	462.9	453.9	1,841.6
Operating profit (EBIT), MEUR	1.3	18.3	38.1
EBIT margin, %	0.3	4.0	2.1
Operating profit (EBIT), MEUR *)	1.3	17.6	55.3
EBIT margin, % *)	0.3	3.9	3.0
Profit before tax, MEUR **)	-1.7	17.1	31.0
Return on equity (12 months), %	-0.6	2.1	1.4
Return on investment (12 months), %	2.6	5.7	4.2
Equity ratio, %	48.8	49.1	50.5
Gearing, %	21.6	18.4	18.4
Gross capital expenditure, MEUR	11.1	18.8	81.9
Personnel on average	28,290	28,809	28,916
Dividends, MEUR		-	4.4

*) Excl. restructuring costs

**) Continuing operations

Jukka Alho, President and CEO:

“The long anticipated revolution in postal sector can now be seen in Itella’s financial results, as delivery volumes experienced the most significant drop seen thus far. With regard to profitability, the 11% decline in first class letters, as well as the decline in newspaper and magazine delivery volumes was significant. In Finland we are now following, with a slight delay, the development which has already occurred in many of our neighboring countries as a result of the breakthrough of e-invoicing and electronic communications.

We were not able to reduce fixed costs as required by the declining volumes. This will contribute to our price development in the near future. We have also launched a substantial cost savings program, which will help ensure a moderate price level. A clear improvement in productivity will also be necessary because of the new competitive situation created by the postal services legislation.

Under the new Postal Services Act, which will enter into force at the beginning of June, the definition of universal service products is clarified and the products are given VAT exempt status. The key principles of the universal service obligation (USO) will mainly remain unchanged. The Ministry of Transport and Communications has assigned a task force to address issues relating to the financing of the universal service.”

APPENDICES

[Itella’s full Interim Report](#)

FURTHER INFORMATION

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Itella Group provides solutions for managing information and product flows. Itella operates in mail communication, information logistics and logistics in Europe and Russia. Net sales in 2010 amounted to EUR 1,842 million. Itella employs approximately 28,000 personnel. Corporate services are delivered under the Itella brand, while the Posti brand is used for services targeted at consumers in Finland. More information is available online at www.itella.com/aboutus.

Interim Report January–March 2011

Market situation and business environment

An economic upswing occurred in all of Itella's operating countries in the previous year, the effects of which gradually began to show in Itella Logistics' business volumes. However, the mail volumes of Itella Mail Communications did not increase along with the upswing due to the intensifying impact of digital substitution on mail deliveries. The volumes of parcel services reflect the increasing popularity of e-retail.

The new Postal Services Act was approved by the Finnish Parliament in March, and it is expected to enter into force on June 1, 2011. Under the new act, the definition of universal service products is clarified and the products are given VAT exempt status. The main principles of the universal service obligation (USO) will remain unchanged. The Ministry of Transport and Communications has assigned a task force to address issues relating to the financing of the universal service. The task force's term of office will end next spring. The new act also requires that Itella's competitors be given access to postal infrastructure, such as the postal code system and address register. Itella continues to be the only designated universal service provider in Finland, with its subsidiary Itella Posti Oy as the license holder.

Net sales and profit performance

In the first quarter of 2011, the Itella Group's net sales increased by 2.0% to EUR 462.9 million (EUR 453.9 million in January–March 2010). In local currencies, the change in net sales was 1.4%. Acquisitions had no impact on net sales performance. Itella Information and Itella Logistics increased their net sales, while Itella Mail Communications saw its net sales decline. The Group's net sales were down 0.3% in Finland and up 7.0% in other countries. International operations accounted for 33% (31%) of net sales.

In the first quarter, consolidated operating profit decreased by 92.9% to EUR 1.3 million (EUR 18.3 million), representing 0.3% (4.0%) of net sales. Operating profit decreased in Itella Information and in Itella Mail Communications. Itella Logistics was able to reduce its operating loss from the previous year.

The Group's net financing costs were EUR -3.0 million (EUR -1.2 million). The net financing costs in the previous year were reduced by a valuation gain of EUR 2.1 million arising from an interest rate swap. Since January 1, 2011, Itella has applied fair value hedge accounting to the interest rate swap in question, in which case a change in the fair value of the interest rate swap will be offset by an opposite change in the fair value of the item hedged. Thus changes in the fair value will not have a significant impact on the net financing costs.

Profit from continuing operations after financial items was EUR -1.7 million (EUR 17.1 million). Income tax on continuing operations totaled EUR 3.3 million (EUR 8.8 million). Net profit for the period from discontinued operations included an impairment of EUR 0.7 million on non-current assets classified as held for sale.

The Group recorded a net loss of EUR 5.6 million for the period (net profit of EUR 8.3 million).

Return on equity (rolling 12 months) stood at -0.6% (2.1%).

Itella Mail Communications

Itella Mail Communications recorded net sales of EUR 282.5 million in January–March (EUR 285.1 million), showing a decrease of 0.9%.

As a result of digital substitution, mail delivery volumes experienced the most significant drop thus far. Increasing competition affected unaddressed deliveries in particular. In January–March, business volumes developed as follows compared with the corresponding period in 2010:

- First class letters decreased by 11%
- Second class letters and addressed direct mail deliveries increased by 5% (excluding deliveries relating to parliamentary elections)
- The total volume of addressed letter deliveries remained stable

- Unaddressed direct mail deliveries decreased by 8%

- Newspaper delivery volumes fell by 3%
- Magazine deliveries dropped by 9%

- Parcel deliveries were up 8%

Itella Mail Communications net sales decreased by 74.8% to EUR 5.5 million (EUR 21.8 million). The EBIT margin was 1.9% (7.6%). Although the total volume of addressed letter deliveries remained stable, profitability weakened due to the sharp drop in the more expensive first class letters. At the same time, the continuous growth of fixed costs caused an upward pressure on prices. The increase of postal fees was delayed, partly due to the delay in the entry into force of the new Postal Services Act, which also weakened the first-quarter result.

Itella Information

Itella Information's net sales remained stable at EUR 70.7 million (EUR 68.3 million), showing an increase of 3.5% compared with the corresponding period in 2010. Net sales picked up in all product lines mainly in the Nordic region and in the CEE countries. The decrease in net sales seen in the Baltic countries and Germany was primarily due to the development of printing volumes.

The business group's operating profit decreased by 16.8% to EUR 4.7 million (EUR 5.7 million), representing 6.7% (8.4%) of net sales. Profitability weakened primarily due to heavier competition.

Itella Logistics

In the first quarter, Itella Logistics' net sales increased by 11.4% to EUR 174.2 million (EUR 156.4 million). Net sales picked up in all product lines and operating countries. In Denmark alone net sales remained almost unchanged.

Itella Logistics recorded a loss of EUR 5.1 million (EUR -6.6 million), representing -2.9% (-4.2%) of net sales. The growth in net sales boosted profitability, particularly in the Road product line. While volume development in Russia, for example, was positive, an upward pressure on prices still exists. The market situation was challenging, particularly in Sweden and Denmark.

Key Figures of Business Groups, MEUR	1-3 / 2011	1-3 / 2010	Change
Net sales			
Itella Mail Communications	282.5	285.1	-0.9 %
Itella Information	70.7	68.3	3.5 %
Itella Logistics	174.2	156.4	11.4 %
Other activities	14.9	13.8	8.0 %
Intra-Group sales	-79.3	-69.6	13.9 %
Itella Group	462.9	453.9	2.0 %
Operating profit (EBIT)			
Itella Mail Communications	5.5	21.8	-74.8 %
Itella Information	4.7	5.7	-16.8 %
Itella Logistics	-5.1	-6.6	22.5 %
Other activities	-3.9	-2.6	-48.2 %
Itella Group	1.3	18.3	-92.9 %
Operating profit (EBIT) excl. restructuring costs			
Itella Mail Communications	5.5	21.1	-73.9 %
Itella Information	4.7	5.7	-16.8 %
Itella Logistics	-5.1	-6.6	22.5 %
Other activities	-3.9	-2.6	-48.2 %
Itella Group	1.3	17.6	-92.6 %
EBIT margin, %			
Itella Mail Communications	1.9 %	7.6 %	
Itella Information	6.7 %	8.4 %	
Itella Logistics	-2.9 %	-4.2 %	
Itella Group	0.3 %	4.0 %	
Itella Group excl. restructuring costs	0.3 %	3.9 %	

Financial position and capital expenditure

Consolidated net cash flow from operating activities before investment activities declined to EUR -9.4 million (EUR 16.4 million).

Capital expenditure amounted to EUR 10.5 million (EUR 18.7 million). No investments were made in acquisitions during the period under review or the corresponding period in 2010.

According to the decision of the Annual General Meeting, a total of EUR 4.4 million was paid as dividends to the shareholders for 2010 (no dividends were paid for the 2009 result).

At the end of March, liquid assets stood at EUR 151.9 million (EUR 190.0 million), and undrawn committed credit facilities totaled EUR 120.0 million (EUR 200.0 million). Commercial papers issued amounted to EUR 73.0 million. The Group's interest-bearing liabilities were EUR 302.2 million (EUR 321.3 million). The equity ratio stood at 48.8% (49.1%) and gearing was 21.6% (18.4%).

Personnel

	Finland		Other countries		In total	
	Q1/2011	Q1/2010	Q1/2011	Q1/2010	Q1/2011	Q1/2010
Employees on average	21,619	21,499	6,671	7,310	28,290	28,809
Employees at period end	21,759	21,717	6,638	7,038	28,397	28,755

Compared with March 31, 2010, the number of personnel increased in Finland by 120 and decreased outside Finland by 639. The Group's personnel costs increased by EUR 6.0 million during the period, up by some 2.7 % year-on-year. The personnel expenses did not include personnel-related restructuring costs (the cost provision decreased by EUR 0.7 million during the comparison period in 2010).

At the end of the period, the Group employed personnel by segment as follows: Itella Mail Communications, 18,786; Itella Information, 2,028; Itella Logistics, 7,541; and other Group functions, 42.

Decisions made at the AGM

The Annual General meeting of Itella Corporation held on March 9, 2011, decided that EUR 4.4 million of the profit would be paid as dividends for the 2010 result.

The AGM determined the number of members of Itella's Supervisory Board as eight. Arto Hiltunen, M.Sc. (Econ), was elected Chairman and Päivi Pesola, Vice President, was elected Vice Chairperson. Jussi Kuutsa, Country Director, and Timo Löyttyniemi, Managing Director, were elected as new members. The AGM re-elected the following Board members: Kalevi Alestalo, Financial Counselor; Hele-

Hannele Aminoff, Director; Riitta Savonlahti, Executive Vice President; and Maarit Toivanen-Koivisto, General Manager.

Itella's Supervisory Board consists of twelve members. Markku Pakkanen (Centre Party) was elected as a new member. Eero Lehti (National Coalition Party) was re-elected as Supervisory Board Chairman, and Antti Rantakangas (Centre Party) as Vice Chairman. The following Supervisory Board members were re-elected: Paavo Arhinmäki (Left Alliance), Susanna Huovinen (Social Democratic Party), Harri Jaskari (National Coalition Party), Bjarne Kallis (Christian Democrats), Johanna Karimäki (Green Party), Lauri Kähkönen (Social Democratic Party), Outi Mäkelä (National Coalition Party), Reijo Ojennus (True Finns) and Harry Wallin (Social Democratic Party).

The AGM elected KPMG Oy Ab, a firm of authorized public accountants, to be Itella Corporation's auditor, with Pauli Salminen, Authorized Public Accountant, as the principal auditor.

Short-term business risks and uncertainties

The business risks were described in connection with the 2010 Annual Report. There were no changes to the risks in the first quarter that would affect the short-term outlook.

Changes in corporate structure

The legal structure of Finnish operations changed on January 1, 2011: all Finnish postal operations were transferred to a new subsidiary, Itella Posti Oy, a part of the Itella Mail Communications business group. Itella Real Estate Oy, a subsidiary in which Itella has centralized its real estate ownership in Finland, also started its operations at this time.

Seasonal fluctuation

Seasonal fluctuation is characteristic of the Group's business operations. Net sales and operating profit in the business segments are not accrued evenly over the year. The first and fourth quarters in particular are typically strong, while the second and third quarters are weaker.

Events after the reporting period

On April 1, 2011, Itella acquired the entire capital stock of the German company NewSource GmbH and made it part of Itella Information. With the acquisition Itella reinforces its position as a provider of outsourced financial management services.

In Finland, Itella Logistics decided to continue the service warehouse extension project in Pennala, Orimattila. The value of the additional investment is estimated at EUR 54 million.

Outlook for the rest of the year

Itella expects its net sales to grow moderately compared with 2010. Growth is anticipated particularly outside Finland. Despite uncertainties relating to economic trends, the conditions for positive volume growth are in place, as the economies in Itella's operating countries are expected to grow. In Finland, the development of net sales generated by postal services will be affected by the increased popularity of electronic services, which will reduce the delivery volumes of addressed items and, in particular, first class letters. It is as yet difficult to estimate the impact of the Postal Services Act reform on the competitive environment and Itella's net sales in Finland.

The 2011 operating profit before eventual restructuring costs will probably remain below last year's operating profit before restructuring costs and write-downs. The measures to enhance productivity and efficiency implemented over the past few years have not been sufficient to compensate for cost development. Improving the efficiency and profitability of operations continues to be the key focus area, but price increases will also be needed. Future efficiency-enhancing measures may also involve restructuring costs.

Net cash flow from operating activities is anticipated to increase somewhat on the previous year. The level of capital expenditure is expected to remain at the same level as in 2010 or to grow slightly. The volume and timing of investments and acquisitions will be considered carefully.

Helsinki, April 28, 2011

Itella Corporation
Board of Directors

APPENDICES

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Key figures of Itella Group

	1-3	1-3	1-12
	2011	2010	2010
Net sales, MEUR	462.9	453.9	1,841.6
Operating profit (EBIT), MEUR	1.3	18.3	38.1
EBIT margin, %	0.3	4.0	2.1
<i>Operating profit (EBIT), MEUR *)</i>	<i>1.3</i>	<i>17.6</i>	<i>55.3</i>
<i>EBIT margin, % *)</i>	<i>0.3</i>	<i>3.9</i>	<i>3.0</i>
Profit before tax, MEUR **)	-1.7	17.1	31.0
Return on equity (12 months), %	-0.6	2.1	1.4
Return on investment (12 months), %	2.6	5.7	4.2
Equity ratio, %	48.8	49.1	50.5
Gearing, %	21.6	18.4	18.4
Gross capital expenditure, MEUR	11.1	18.8	81.9
Personnel on average	28,290	28,809	28,916
Dividends, MEUR			4.4

*) *Excl. restructuring costs, see notes 2*

**) Continuing operations

Consolidated Income Statement

	1-3	1-3	1-12
EUR million	2011	2010	2010
Net sales	462.9	453.9	1,841.6
Other operating income	3.8	4.3	14.5
Share of associated companies' results	0.0	0.0	0.1
Materials and services	126.8	118.2	504.9
Employee benefits	225.0	218.4	877.9
Depreciation and amortisation	21.3	21.0	85.4
Other operating expenses	92.4	82.4	349.8
Operating profit (EBIT)	1.3	18.3	38.1
% of net sales	0.3 %	4.0 %	2.1 %
Financial income and expenses	-3.0	-1.2	-7.1
Profit/loss before income tax	-1.7	17.1	31.0
% of net sales	-0.4 %	3.8 %	1.7 %
Income tax	-3.3	-8.8	-17.5
Profit/loss for the financial period from continuing operations	-5.0	8.3	13.6
% of net sales	-1.1 %	1.8 %	0.7 %
Profit/loss for the financial period from discontinued operations	-0.7	-	-5.7
Income tax	-	-	1.5
Profit/loss for the financial period from discontinued operations	-0.7	-	-4.2
Profit/loss for the financial period	-5.6	8.3	9.3
% of net sales	-1.2 %	1.8 %	0.5 %
Profit/loss for the financial period attributable to			
Parent company shareholders	-5.6	8.3	9.3
Non-controlling interest	0.0	0.0	0.0
	-5.6	8.3	9.3
Comprehensive Consolidated Income Statement			
Profit/loss for the financial period	-5.6	8.3	9.3
Other items of comprehensive income			
Available-for-sale financial assets	-0.1	0.0	0.0
Translation differences	1.8	25.3	20.0
Comprehensive income for the financial period	-3.9	33.6	29.3
Comprehensive income attributable to			
Parent company shareholders	-3.9	33.6	29.3
Non-controlling interest	0.0	0.0	0.0
	-3.9	33.6	29.3

Consolidated Balance Sheet

EUR million	31 March 2011	31 March 2010	31 Dec 2010
Non-current assets			
Goodwill	170.9	166.6	170.9
Other intangible assets	71.4	79.4	73.5
Investment property	4.0	4.3	4.1
Property, plant and equipment	679.3	710.2	684.6
Investments in associated companies	0.8	0.6	0.7
Other non-current investments	1.4	1.9	1.4
Non-current receivables	7.8	7.2	9.7
Deferred tax assets	15.0	12.5	14.8
Total non-current assets	950.6	982.7	959.8
Current assets			
Inventories	8.3	6.1	5.9
Trade and other receivables	304.8	272.1	290.0
Current tax assets	10.9	5.3	5.2
Financial assets available-for-sale	2.1	2.5	2.2
Financial assets at fair value through profit or loss	51.0	85.3	58.5
Cash and cash equivalents	100.9	104.7	75.6
Total current assets	478.0	476.1	437.4
Non-current assets classified as held for sale	14.5	-	14.9
Total assets	1,443.2	1,458.8	1,412.1
Equity			
Share capital	70.0	70.0	70.0
Contingency reserve	142.7	142.7	142.7
Fair value reserve	0.0	0.0	0.0
Translation differences	1.0	4.6	-0.8
Retained earnings	481.1	491.9	492.2
Equity attributable to equity holders of the parent company	694.8	709.2	704.1
Equity attributable to equity holders of the non-controlling interest	0.0	1.7	0.0
Total equity	694.8	710.9	704.2
Non-current liabilities			
Deferred tax liabilities	51.5	49.9	50.4
Non-current interest-bearing liabilities	199.5	231.6	214.2
Other non-current liabilities	17.4	15.3	17.7
Non-current provisions	15.2	9.5	15.7
Defined benefit pension plan obligations	7.2	6.5	6.6
Total non-current liabilities	290.8	312.8	304.7
Current liabilities			
Current interest-bearing liabilities	102.7	89.7	49.4
Trade payables and other liabilities	350.5	325.1	351.2
Current tax liabilities	3.3	10.5	0.3
Current provisions	0.6	9.8	1.6
Total current liabilities	457.0	435.2	402.6
Liabilities associated with non-current assets classified as held for sale	0.6	-	0.6
Total liabilities	748.5	747.9	707.9
Total equity and liabilities	1,443.2	1,458.8	1,412.1

Consolidated Cash Flow Statement

EUR million	1-3 2011	1-3 2010	1-12 2010
Profit or loss for the financial period	-5.6	8.3	9.3
Total adjustments	28.0	30.6	113.6
Change in net working capital	-19.8	-9.7	-7.6
Cash flow before financial items and income tax	2.5	29.2	115.4
Financial items (net)	-5.9	-3.5	-8.3
Tax paid	-6.0	-9.3	-25.1
Cash flow from operating activities (net)	-9.4	16.4	81.9
Acquisition of subsidiaries less cash and cash equivalents	-	-	-1.4
Purchase of intangible assets and property, plant and equipment	-10.5	-18.7	-80.3
Proceeds from sale of intangible and tangible assets	0.7	1.4	4.2
Change in financial assets at fair value through profit or loss	7.5	-6.1	20.2
Cash flow from other investments	0.1	0.0	1.2
Cash flow from investing activities (net)	-2.2	-23.4	-56.1
Change in loans (net)	41.3	29.1	-22.6
Finance lease principal payments	-1.9	-1.9	-8.3
Acquisition of non-controlling interest	-	-	-2.7
Dividends paid	-4.4	-	-0.1
Cash flow from financing activities (net)	35.0	27.2	-33.7
Change in cash and cash equivalents	23.4	20.2	-7.9
Cash and cash equivalents at period-start	75.6	82.3	82.3
Effect of changes in exchange rates	1.9	2.2	1.2
Change in fair value of cash and cash equivalents	0.0	0.0	0.0
Cash and cash equivalents at period-end	100.9	104.7	75.6

Statement of Changes in Shareholders' Equity

EUR million	Equity attributable to equity holders of the parent company						Non-controlling interest	Total equity
	Share capital	Contingency reserve	Fair value reserve	Translation differences	Retained earnings	Total		
Equity 1 Jan 2010	70.0	142.7	0.0	-20.7	483.6	675.6	1.6	677.2
Result for the financial period					8.3	8.3		8.3
Change in translation differences				25.3		25.3	0.1	25.4
Equity 31 March 2010	70.0	142.7	0.0	4.6	491.9	709.2	1.7	710.9
Equity 1 Jan 2011	70.0	142.7	0.0	-0.8	492.2	704.1	0.0	704.2
Dividends paid					-4.4	-4.4		-4.4
Result for the financial period					-5.6	-5.6		-5.6
Other change					-1.1	-1.1		-1.1
Change in translation differences				1.8		1.8		1.8
Equity 31 March 2011	70.0	142.7	0.0	1.0	481.1	694.8	0.0	694.8

Notes

1. Accounting Principles

The Financial statements review was prepared in accordance with IAS 34 'Interim Financial Reporting' and in line with the same accounting principles as those used in Itella's financial statements for 2010. Itella has applied the currently valid IFRS standards and interpretations in the preparation of this interim report. The figures shown have been rounded, which is why the sum total of individual figures may differ from that shown here.

From January 1, 2011 Itella Group's accounting principles of certain financial instruments has been changed and Itella has started to apply fair value hedge accounting according to the IAS 39 for the interest rate swap hedging the fixed rate loan. The hedged item is Itella's fixed rate EUR 150 million bond of which EUR 70 million amount is in hedging relationship and the hedging instrument is the interest rate swap of EUR 70 million. The hedge is effective and it meets the IAS 39 criteria for fair value hedge accounting.

The information presented in this report is unadited.

2. Segment Information

The reorganization of the parent company's legal structure implemented on January 1, 2011, and certain transactions previously handled as internal cost allocation between business operations will now be recorded as net sales charged by one Group company to another. This change will result in an increase in intra-group net sales and eliminations. These transactions are for example group's internal freight service and ICT service.

At the beginning of January 2011 electronic mailbox and archive service (Itella's service offered to consumers called Netposti) and also the payment service center in Kouvola relocated to Itella Mail Communications.

Comparative figures have been adjusted accordingly.

EUR million	1-3 2011	1-3 2010	1-12 2010
Net sales by business segment			
Itella Mail Communications	282.5	285.1	1,141.8
inter-segment sales	-10.8	-10.6	-41.6
Itella Information	70.7	68.3	259.7
inter-segment sales	-3.0	-2.7	-11.2
Itella Logistics	174.2	156.4	677.3
inter-segment sales	-50.7	-43.0	-184.6
Other operations	14.9	13.8	55.0
inter-segment sales	-14.9	-13.3	-54.8
Total eliminations (Interim sales)	-79.3	-69.6	-292.2
Total	462.9	453.9	1,841.6

EUR million	1-3 2011	1-3 2010	1-12 2010
Operating profit/loss (EBIT) by business segment			
Itella Mail Communications	5.5	21.8	53.3
Itella Information	4.7	5.7	12.8
Itella Logistics	-5.1	-6.6	-10.7
Other operations	-3.9	-2.6	-17.2
Total	1.3	18.3	38.1
Restructuring costs by business segment			
Itella Mail Communications	-	-0.7	15.9
Itella Information	-	-	1.2
Itella Logistics	-	-	0.1
Other operations	-	-	0.0
Total	0.0	-0.7	17.3
Operating profit/loss (EBIT) by business segment excluding restructuring cost			
Itella Mail Communications	5.5	21.1	69.2
Itella Information	4.7	5.7	14.0
Itella Logistics	-5.1	-6.6	-10.6
Other operations	-3.9	-2.6	-17.2
Total	1.3	17.6	55.4
Financial income and expenses	-3.0	-1.2	-7.1
Result before income tax	-1.7	17.1	31.0

EUR million	31 March 2011	31 March 2010	31 Dec 2010
Assets			
Itella Mail Communications	509.8		470.6
Itella Information	165.6		167.0
Itella Logistics	628.4		622.4
Other operations and unallocated	186.0		161.1
Eliminations	-46.6		-9.0
Total	1,443.2		1,412.1
Liabilities			
Itella Mail Communications	275.3		250.1
Itella Information	39.5		39.0
Itella Logistics	110.8		100.0
Other operations and unallocated	366.2		326.6
Eliminations	-43.3		-7.9
Total	748.5		707.9
Personnel at period-end			
Itella Mail Communications	18,786	18,874	19,314
Itella Information	2,028	2,148	1,942
Itella Logistics	7,541	7,695	7,724
Other operations	42	38	42
Total	28,397	28,755	29,022

3. Net Sales by Geographical Location

EUR million	1-3 2011	1-3 2010	1-12 2010
Finland	311.9	312.8	1,255.8
Scandinavia	67.4	64.4	262.2
Baltic countries and Russia	49.8	44.4	202.0
Other countries	33.8	32.3	121.6
Total	462.9	453.9	1,841.6

4. Changes in Property, Plant and Equipment

EUR million	31 March 2011	31 March 2010	31 Dec 2010
Carrying amount on 1 Jan	684.6	688.4	688.4
Additions	9.1	17.3	166.2
Disposals and transfers between items	-0.7	-0.8	-119.1
Depreciation and Impairment for the financial period	-16.7	-15.6	-65.1
Translation differences	3.0	21.0	14.2
Carrying amount at period-end	679.3	710.2	684.6

5. Consolidated Contingent Liabilities

EUR million	31 March 2011	31 March 2010	31 Dec 2010
Pledges for own behalf	18.9	18.1	18.4
Lease commitments	341.8	359.4	357.0

Derivative Contracts

EUR million	31 March 2011	31 March 2010	31 Dec 2010
Currency forward contracts (not in hedge accounting)			
Fair value	0.0	-1.7	-2.0
Nominal value	111.5	108.8	105.4
Interest rate swaps (in hedge accounting)			
Fair value	0.0	2.3	1.9
Nominal value	70.0	70.0	70.0

Derivative contracts were used to hedge against currency and interest rate risks. Currency forward contracts were measured at fair value by using the market prices on the closing day, and the fair values of interest rate swaps are the present values of forecast future cash flows.

6. Related Party Transactions

Related party transactions were insignificant and there have been no material changes since the financial year 2010.